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IN THE

Supreme Court of the United States

OCTOBER TERM, 1959.

No. 647

UNITED PACKINGHOUSE WORKERS OF AMERICA,
A LABOR ORGANIZATION AFFILIATED WITH A. F. L.-C. I. O.,
Petitioner,

vs.

MAURER-NEUER, INC., A KANSAS CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT.

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT.

Petitioner, the United Packinghouse Workers of America, AFL-CIO, prays that a Writ of Certiorari issue to review the judgment of the United States Court of Appeals for the Tenth Circuit, entered in the above-entitled cause on November 14, 1959.

CITATION TO OPINION BELOW.

The District Court did not issue a written opinion, but its order is reprinted at pages 41-42 of the Record.[1] The

1. Citations to the record are to the Transcript of Record printed for the Court of Appeals below, nine copies of which have been filed with this Court in addition to the complete Certified Transcript.

opinion of the Court of Appeals for the Tenth Circuit, reprinted in the Appendix to this Petition, has not yet been reported.

JURISDICTION.

The judgment of the Court of Appeals was entered on November 14, 1959. The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

QUESTIONS PRESENTED.

1. Whether the complaint stated a claim against Petitioner sufficient to invoke the jurisdiction of the District Court under Section 301(a) of the Labor Management Relations Act of 1947.

2. Whether an international labor union becomes a principal party to a collective bargaining agreement which its officers sign under the express designation "for and on behalf of [a specified local union]."

3. Whether, in the administration of our national labor laws, the federal courts are to apply ordinary principles of the law of contracts to collective bargaining agreements?

STATUTE INVOLVED.

The statute involved is Section 301(a) of the Labor Management Relations Act of 1947, 29 U. S. C., Sec. 185 (a), which reads as follows:

> Suits for violation of contracts between an employer and a labor organization representing employees in an industry affecting commerce as defined in this act, or between any such labor organizations, may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.

STATEMENT

Respondent filed its complaint for damages against Petitioner and Local Union No. 36 affiliated with Petitioner on May 23, 1957, in the United States District Court for the District of Kansas, seeking to invoke jurisdiction under Section 301(a) of the Labor Management Relations Act of 1947, 29 U. S. C. Sec. 185(a) (hereinafter referred to as Section 301(a)) and under 28 U. S. C. Sec. 1337 (R. 1-5). Respondent's complaint attempted to assert a cause of action against Petitioner and its Local Union No. 36 for breach of a collective bargaining agreement, a copy of which was attached to the complaint (R. 5-35). The original complaint was amended on March 31, 1958 to allege that the agreement sued upon was "between the plaintiff, as principal, on the one hand, and United Packinghouse Workers of America and Local Union No. 36, as joint principals, on the other hand" (R. 37-38).

Petitioner filed, on July 25, 1957, a motion to dismiss the original complaint as to itself (R. 36-37). On April 21, 1958 Petitioner filed a similar motion to dismiss the amended complaint (R. 39-41). The motions to dismiss were based on the following grounds: (1) that the court lacked jurisdiction of the subject matter as it related to Petitioner, and (2) that the complaint failed to state a claim upon which any relief could be granted as against Petitioner (R. 39-41).

More particularly, the motion to dismiss the amended complaint asserted that since the purported collective bargaining agreement showed on its face that the Petitioner participated in the execution of the agreement "for

and on behalf of Local No. 36,"[2] that is, as agent of that local union and not as a principal party to the contract. Section 301 did not invest the court with jurisdiction of Petitioner. Since Section 301 gives the court jurisdiction only over actions for breach of contract, Petitioner, not being a party to the contract, could not be subjected to the court's jurisdiction under that section. Further, it was contended that, apart from the jurisdictional question, since the agreement attached to the complaint discloses no contractual obligation assumed by Petitioner which could be contravened by the acts set forth in the complaint, the

2. The document is designated on its title page as follows:

Agreement
between
Maurer-Neuer, Inc.
and
United Packinghouse Workers of America, AFL-CIO
for and on Behalf of Local Union No. 36, March 1, 1957 to October 1, 1959 (R. 5).

The opening paragraph recites that it is an agreement between the appellee, Maurer-Neuer, Inc. and "The United Packing House Workers of America, for and on behalf of Local Union No. 36, affiliated with the Congress of Industrial Organizations (hereinafter referred to as the 'Union')". (R. 7). The document ends with the following spaces provided for signature:

United Packinghouse Workers of America, CIO, for and on behalf of Local Union No. 36	Maurer-Neuer, Inc.
President	
Secretary-Treasurer	
District Director	
Representative	
Local Committee	

complaint stated no claim upon which relief could be granted as against Petitioner.

On January 19, 1959, the district court denied Petitioner's motion to dismiss the amended complaint. An appeal was taken by Petitioner to the Court of Appeals for the Tenth Circuit pursuant to leave granted under the Interlocutory Appeals Act, 28 U. S. C. Section 1292(b).

The Court of Appeals affirmed the denial of the motion to dismiss by its opinion rendered November 14, 1959 (Appendix, pp. 11-15). In arriving at its decision, the Court of Appeals appears to have been influenced in great measure by the organizational and legal relationships assumed to exist between Petitioner and its Local No. 36, as the following language indicates (Appendix, pp. 14, 15):

> Collective bargaining agreements are unique in character and a field unto themselves.
>
> • • • • •
>
> We think that, considering this contract in its entirety, *and not ignoring the inherent relationship between a national and local union*, it cannot be said that the use of the words "for and on behalf of Local No. 36" clearly and unambiguously establishes that UPWA was acting as an agent and not as the principal and are not subject to explanation (emphasis supplied).

REASONS FOR GRANTING THE WRIT

1. The decision of the Court of Appeals raises an important question in the administration of Section 301(a) of the Labor Management Relations Act of 1947. That question is whether the courts are to apply ordinary principles of contract law in the interpretation of collective-bargaining agreements. The Court of Appeals forcefully suggests, as indicated by language such as that quoted above in the Statement, that it rejects the notion that traditional principles are to apply. What the Court of

Appeals held in substance was that, regardless of whether under traditional contract law it might be held that an individual or entity other than a labor organization signing an ordinary contract using the words employed by Petitioner was only an agent and was not a principal party to the contract, Petitioner would not be so treated because *it is a labor organization and the instrument being construed is a collective bargaining agreement.*

This Court has held in *Textile Workers Union of America* v. *Lincoln Mills of Alabama*, 353 U. S. 443 (1957), that the substantive law to be applied in the interpretation of collective bargaining agreements is federal law. There the Court recognized that while some substantive law was furnished by the Labor Management Relations Act some problems would be in the "penumbra of express statutory mandate." Where express statutory sanction is lacking, it is necessary to find solutions in the policy of the federal labor relations legislation, and if state law is looked to to find the rule to effectuate that policy, such law will be absorbed as federal law.

Petitioner submits that the decision of the Court of Appeals is in conflict with important policy considerations underlying the *Lincoln Mills* decision. A principal basis of the *Lincoln Mills* case is a strong interest in uniformity of interpretation of collective bargaining agreements. The Court of Appeals in the instant case, however, would thwart that policy by removing collective bargaining agreements from the traditional area of contract law. If the Court of Appeals decision is correct, then questions involving the interpretation of a collective bargaining agreement may have to be decided on an *ad hoc* basis, even where the answer would be clear under traditional principles. There is certainly no basis in any discernible policy of the Labor Management Relations Act nor in the decisions of this Court for injecting such uncertainty into

the application of Section 301(a). The evidence points to a contrary intention on the part of Congress and this Court.

The question of the application of the ordinary canons of construction to the interpretation of collective bargaining agreements has not heretofore received a great deal of judicial attention. This sparseness of judicial material may be an indication of the degree to which courts have thought that usual contract doctrines apply in the interpretation of collective bargaining agreements. Such direct authority as there is seems to bear out this view. In *Kennedy* v. *Westinghouse Electric Corp.*, 16 N. J. 280, 108 A. 2d 409, 47 ALR 2d 1025 (1954), the Court, after an extensive discussion of the nature of a collective bargaining agreement, concluded:

> We agree with plaintiffs that the canons of construction brought to bear on the ordinary contract are fully serviceable in ascertaining the meaning of the language employed in a collective bargaining agreement.

The practical results likely to flow from the decision of the Court of Appeals likewise militate against it. If, as the Court of Appeals suggests, collective bargaining agreements are governed by a law peculiar to themselves, even though no such body of law can be said to exist at present, those persons having the duty of day-to-day administration of collective bargaining agreements will be left without guidance as to the meaning and effect of the instruments whose very purpose is to achieve industrial peace by codifying rules of conduct for employers and unions in industries affecting commerce.

Thus it would appear that the Court of Appeals' suggestion that special canons of construction, different from those applying to ordinary contracts, govern collective bargaining agreements constitutes an unwarranted interpretation of Section 301(a). Moreover, if it prevails gen-

erally it will create lack of uniformity and confusion in the enforcement and day-to-day administration of collective bargaining agreements. In Petitioner's view the question is of sufficient importance in the development of federal law under Section 301(a) to warrant review of the action of the Court of Appeals by this Court.

2. Insofar as the Court of Appeals has created federal law under Section 301(a), it has done so in a fashion seriously affecting the practical relationships of an international union to its locals. The Court of Appeals purports to rely on the doctrine that, where the unambiguous language of a contract considered as a whole does not show whether a party signed as a principal or as an agent, extrinsic evidence may be introduced to show the intention of the parties. As to when ambiguity exists the Court says (Appendix, pp. 13-14): "Usually an ambiguity is said to exist when from a consideration of the entire instrument the meaning of the controverted words is capable of more than one conclusion."

But while the Court says that the existence of an ambiguity is to be determined from a consideration of the instrument itself, the Court does not examine the agreement. Instead, it speculates on the nature of labor organizations. The Court's speculation suggests that no matter how the agreement had been signed and regardless of what its terms were the Court's decision would have been the same, simply because Petitioner is a labor organization and the contract is a collective bargaining agreement. In fact, since the Court analyzes Petitioner rather than the agreement, the Court's decision can logically be extended to hold an international labor union liable as a party to any contract of any of its locals, even if the international officers do not sign the contract at all. On the view of the Court of Appeals the nature of the international union and its relationship to its locals remain the same and do not

depend upon who signed the agreement or in what capacity. The facts peculiar to this case, therefore, appear to have had little or no bearing on the Court's decision; nor do they lend support to the Court's conclusion.

The Court of Appeals, therefore, not only rejects the view that ordinary rules of contract law govern the interpretation of collective bargaining agreements, it in effect determines that the nature of a union is such as to obviate contract construction and interpretation, at least so far as the question is—who is a party to the agreement.

If it is proper to hold that the nature of a labor organization determines whether it is to be considered a party to its local's contract, whether it intended to be a party or not, there must be some strong policy reason for so holding. But no such policy is relied on by the Court of Appeals. Again, although judicial expression on this issue is rare, there is some indication that the policy is contrary to that which would be necessary to sustain the Court of Appeals' decision. Thus in *Boeing Airplane Co.* v. *International Ass'n of Machinists, Lodge 751*, 91 F. Supp. 596 (W. D. Wash. 1950), the issue was whether the International, which had admittedly signed the contract as a principal party, was jointly liable with the Local for acts constituting a breach of the contract. The court held that public policy favored holding that the parent union signing its local's contract did not become jointly obligated with the local on the contract, but that the liability of the international and of the local was several.

It would appear that the position of the Court of Appeals below—in holding an international union as possibly bound by a contract it did not execute as principal—gave expression to a policy that, consistently certainly, would lead to joint rather than several liability. At the very least its decision has opened up new areas for uncertainty in labor management relations.

CONCLUSION.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX.

UNITED STATES COURT OF APPEALS,
Tenth Circuit.

No. 6120 September Term, 1959

UNITED PACKINGHOUSE WORKERS OF AMERICA, a labor organization affiliated with A. F. L.-C. I. O., *Appellant*, vs. MAURER-NEUER, INC., a Kansas corporation, *Appellee*.	Appeal from the United States District Court for the District of Kansas.

Richard Watt, of Cotton, Fruchtman & Watt, Chicago, Illinois (Eugene Cotton, Charles A. Graham of Graham & Scheunemann, Denver, Colorado, James H. Barnes, Kansas City, Kansas, and Lee J. Vickman, Chicago, Illinois, with him on the brief), for Appellant.

Richard R. Rock of Theis & Rock, Arkansas City, Kansas (David W. Carson and Jack K. Dear, of Carson and Dear, Kansas City, Kansas, with him on the brief), for Appellee.

Before PHILLIPS, HUXMAN and PICKETT, *Circuit Judges*.

PICKETT, *Circuit Judge*.

Maurer-Neuer, Inc., a Kansas corporation, brought this action under Section 301(a) of the Labor Management Relations Act of 1947 (29 U. S. C. A. § 185(a)), against United Packinghouse Workers of America, a labor organi-

zation affiliated with A. F. L.-C. I. O., and its Local No. 36, to recover damages for breach of a no-strike provision in a collective bargaining agreement. Alleging that the contract showed on its face that it was signed by U. P. W. A. as agent for Local No. 36 and not as principal, U. P. W. A. moved to dismiss on the ground that the court lacked jurisdiction under Section 301(a). This appeal from the order overruling the motion was allowed under the provisions of the Interlocutory Appeals Act. 28 U. S. C. A. § 1292(b).

The complaint alleges that the plaintiff is engaged in the meat packing business in Kansas City, Kansas and that its employees are members of and represented by the defendant unions; that a collective bargaining agreement was executed with plaintiff by the defendant unions, as joint principals; that the unions refused to arbitrate as required by the contract and refused to allow or permit their members to return to work for plaintiff; that they allowed, set up and operated picket lines on and about plaintiff's property; and that the defendant unions, through their officers and representatives, permitted, ratified and encouraged a strike of the employees followed by illegal picketing and promoted the strike by the payment of strike benefits, in violation of the contract provisions and to plaintiff's damage.

The introductory clause to the contract reads:

"Agreement between
Maurer-Neuer, Inc. and
United Packinghouse Workers of America, A. F. L.-C. I. O.
For and on Behalf of Local Union No. 36."

This contract was signed "United Packinghouse Workers of America, C. I. O., for and on behalf of Local Union No. 36." The contract indicates that it was approved by the President, Secretary-Treasurer, and District Director Representative of U. P. W. A., and also by a Local Union Com-

mittee. The U. P. W. A. contends that the description of the parties in the contract, together with the signatures, clearly and unambiguously show that it was acting as agent for Local No. 36 in negotiating the contract, and was not a principal.

Agency is a fiduciary relationship whereby one person is authorized to represent or act for another, generally or in particular matters. The principal has the right to control the conduct of the agent as to matters entrusted to him. Restatement, Second, Agency, §§ 1, 14; *Wasilowski* v. *Park Bridge Corp.*, 2 Cir., 156 F. 2d 612; *Kelly* v. *United States Steel Corp.*, D. C., W. D. Penn., 170 F. Supp. 649; *Schenstrom* v. *Contingental Machines*, D. C., D. Minn., 85 F. Supp. 374. The law is well settled that if an integrated contract, by unambiguous language, makes it clear that a signer is acting in a representative capacity for a disclosed principal, he is not a party to the contract. Restatement, Second, Agency, §§ 156, 157; *Whitney* v. *Wyman*, 101 U. S. 392; *Shilman* v. *United States*, 2 Cir., 164 F. 2d 649, cert. denied, 333 U. S. 837; *Thomas* v. *Gonzelas*, Wyo. , 331 P. 2d 832. An agent is not bound by a contract executed for a principal if he acted within his authority. Williston, Rev. Ed., Vol. I, § 281; Restatement, Second, Agency, § 320. But the use of the word "agent" in connection with the signature of the signer does not of itself prevent the inference that he is a party to the instrument. Restatement, Second, Agency, § 156; *Russello* v. *Mori*, 153 Cal. App. 2d 828, 315 P. 2d 343; *Bissonnette* v. *Keyes*, 319 Mass. 134, 64 N. E. 2d 926. If the unambiguous language of a contract does not show whether a party signed as a principal or as an agent, extrinsic evidence may be introduced to show the intention of the parties. Restatement, Second, Agency, § 323(2); *Brown* v. *Prince*, 10 Cir., 161 F. 2d 537; Anno. 113 A. L. R. 1364, 1382. Usually an ambiguity is said to exist when from a con-

sideration of the entire instrument the meaning of the controverted words is capable of more than one conclusion. That is, the meaning of the expression is uncertain. Black's Law Dictionary, P. 105; 3 Wds. & Phrs., P. 436; 20 Am. Jur., Evidence, § 1147 *Zehnder* v. *Michaud*, 8 Cir., 145 F. 2d 713; *Buchanan* v. *Swift*, 7 Cir., 130 F. 2d 483.

Collective bargaining agreements are unique in character and a field unto themselves. They are, of course, binding and enforceable as to all parties to them. Their principal objectives are to effect better working conditions for employees and to achieve industrial peace between employers and employees. See *Textile Workers Union of America* v. *Lincoln Mills*, 353 U. S. 448; *Local 1912, International Ass'n. of Machinists* v. *United States Potash Co.*, 10 Cir., F. 2d . As in this case, there are national unions representing the employees in particular industries and crafts throughout the nation, regardless of who the employers are or where they are located. Local unions affiliated with a national or parent association are usually the bargaining representatives of the employees of a local employer. The contracts made by a national union for the employees of one employer are not necessarily the same as those which may be entered into for employees of different employers in the same industry. However, all members of the local unions are also members of the parent organization. The purpose and interest of both the local and parent organizations are the same. The only difference is that the activities of the national are directed toward the members of all of its locals. In some instances, benefits, including wages, may be controlled by a national policy.[1] U. P. W. A. negotiated the contract in question.

1. This contract provides that "in the event of a wage increase or decrease in rates agreed upon by the Big Four Packers and the UPWA-CIO, such increase or decrease will be applied to the existing rates as listed herein."

for the benefit of a particular group of its members, that is, the group comprising Local No. 36.

We think that, considering this contract in its entirety, and not ignoring the inherent relationship between a national and local union, it cannot be said that the use of the words "for and on behalf of Local No. 36" clearly and unambiguously establishes that U. P. W. A. was acting as an agent and not as a principal and are not subject to explanation. When the parent association negotiates a contract for a local, it is acting in behalf of some of its members and thus is fulfilling its own purposes. In signing a contract for a principal, an agent does not directly benefit from the performance of that contract. See *Russello* v. *Mori, supra; Foster Trailer Co.* v. *United States Fidelity & Guar. Co.*, 190 Tenn. 181, 228 S. W. 2d 107. Evidence may disclose the national union had more interest in the contract than that of a mere agent and that the national had complete control, to the exclusion of the local, over negotiations of the terms of the contract. Evidence may also show that the term "for and on behalf of Local No. 36" was for the purpose of designating which group of U. P. W. A. members the contract provisions were to affect, and that no principal and agent relationship was intended to be designated.

AFFIRMED.